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IN THE

Supreme Court of the United States

OCTOBER TERM, 1968

No. 1346

GIULIO NATTA ET AL.,

Petitioners,

vs.

ALEX ZLETZ and STANDARD OIL COMPANY,

Respondents.

On Petition for Writ of Certiorari to the United States Court of Appeals for the Seventh Circuit

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BRIEF FOR RESPONDENTS IN OPPOSITION

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BRIEF FOR RESPONDENTS IN OPPOSITION

Question Presented

Whether the court of appeals correctly construed its own opinion and mandate in an earlier appeal in this case as preserving respondents' attorney-client and work product objections to petitioners' motion for the production of documents.

Statement of the Case

Petitioners Natta et al. and respondent Zletz are two of the four parties to an interference proceeding now pending

before the United States Patent Office. Pursuant to 35 U.S.C. § 24, which authorizes resort to the district courts for discovery ancillary to such a proceeding, petitioners filed a motion in the Northern District of Illinois asking for the production under F.R.C.P. 34 of 26 categories of documents from the files of respondent Zletz and the assignee of his patent application, respondent Standard Oil Company (Indiana) (A 1-15).[1] The district court's initial dismissal of the motion on jurisdictional grounds not relevant here was reversed by the Seventh Circuit in its opinion and order of June 19, 1967 (reported in 379 F.2d 615) and the cause was remanded to the district court to consider petitioners' motion on its merits (A 166).

Following remand, respondents agreed to supply the major part of petitioners' documentary requests. Of the limited objections which respondents pressed to certain portions of the motion, only two are relevant here. First, respondents objected to the production of documents dated after the October 15, 1954 filing of the Zletz patent application involved in the interference on the ground that such documents were unduly remote to the issues to be decided in that proceeding and, therefore, "not within the proper scope of discovery ancillary to said interference" (A 539). Second, respondents objected on the ground that "many of said documents [*i.e.*, those post-dating October 15, 1954] represent work product and are privileged" (*ibid*).[2]

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1. References to "(A.....)" are to the appendix below.

2. As the petition recognizes, respondents emphasized their privilege objections throughout the district court proceedings, "commencing with [their] first brief in opposition to Natta's Rule 34 motion through [their] written objections preceding the District Court's Final Order of May 16, 1968." (Pet., p. 12.)

The district court, in its order of May 16, 1968, sustained the first of these objections and imposed a discovery "cut-off" of October 15, 1954 (A 579-81). That ruling, applying as it did to all documents prepared after that date, made it unnecessary for the court to reach respondents' objection that certain of those documents were also protected from discovery by reason of the attorney-client and work product privileges. Petitioners took no exception at that time to the trial court's failure to pass on the privilege issue in its May 16, 1968 order.

When the proceeding again reached the court of appeals on petitioners' second appeal, the only issue to which that court or the parties addressed themselves was the correctness of the October 15, 1954 "cut-off" imposed by the district court. On that issue, the court of appeals reversed, concluding in its decision and opinion of December 19, 1968 (reported in 405 F.2d 99):

> "Since it is well settled that events following the date of a patent application may cast doubt on the patentability of the product [citations omitted], the cut-off date selected was improper. Subsequent documents may bear on events prior thereto and also on any actual reduction to practice by Standard. They should be produced if they are in the categories already sought by Natta." (A 596-7.)

Respondents' right to assert the attorney-client and work product privileges as to any of the documents in the post-October 15, 1954 period was nowhere mentioned among the "contested issues" in either parties' brief; it was not touched on in oral argument; and it received only a single footnote reference in the court's opinion, which observed:

> "Rule 34, the documentary inspection rule, incorporates Rule 26(b) by reference. That rule permits discovery as to any *unprivileged matter*, even if inadmissible, as

long as it is relevant or 'reasonably calculated to lead to the discovery of admissible evidence.'" (A 594; emphasis added.)

The mandate of the court of appeals issued on January 14, 1969 (A 598), and at a hearing before the district court on January 17, 1969 to settle the appropriate order following remand, respondents duly renewed their privilege objections (A 604-9). The district court indicated during this hearing that it intended to exclude privileged documents from discovery (A 610), and its written order of January 21, 1969 provided in pertinent part that respondents "shall not be required to produce documents constituting or disclosing confidential communications between Standard the client and counsel for Standard and relating to the seeking of, or giving of, legal advice of any kind, nor shall counsel for Standard be required to submit to Natta or its counsel any documents in the nature of attorney's work product developed in anticipation of Interference 89,634" (A 628).[3]

One day before the entry of this order, petitioners filed a petition for writ of mandamus and prohibition with the court of appeals contending, as here, that any order by the district court excluding respondents' privileged documents from production was assertedly contrary to the direction of the court of appeals that all documents dated subsequent to October 15, 1954 "should be produced if they are in the categories already sought by Natta" (A 597). The court of appeals summarily denied the mandamus petition on January 22, 1969 (Pet., p. 23a). Petitioners thereupon took

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3. This order did not, as the petition asserts, give respondents the right *"to judge for themselves"* the merits of their work product and privilege claims (Pet., p. 8; emphasis in original). As the petition elsewhere recognizes (p. 5, n. 2), the district court is presently considering respondents' privilege claims as to individual documents based on an *in camera* review of such documents.

a third appeal to the court of appeals. In a brief *per curiam* order of March 10, 1969, the court of appeals affirmed the district court (*id.* at 5a). Petitioners' request for rehearing *en banc* was denied on April 7, 1969 (*id.* at 25a), and the matter is now before this court on the petition for writ of certiorari filed April 25, 1969.

Reasons for Denying the Writ

1. As petitioners implicitly recognize (Pet., pp. 8, 10), the real question presented here is whether this Court should disturb a decision by the court of appeals interpreting its own opinion and mandate on a prior appeal in this case. For if, as the court of appeals concluded, it did not pass on respondents' privilege objections when the case was before that court last Fall, the district court was free to consider those objections following remand and there is no basis for issuing the requested writ.

This Court has repeatedly recognized that "the court that issues a mandate is normally the best judge of its content, on the general theory that the author of a document is ordinarily the authoritative interpreter of its purposes." *F.C.C.* v. *Pottsville Broadcasting Co.*, 309 U.S. 134, 141 (1940). See also, *N.L.R.B.* v. *Donnelly Co.*, 330 U.S. 219, 227 (1947); *F.T.C.* v. *Colgate-Palmolive Co.*, 380 U.S. 374, 379 (1965). While such an interpretation has occasionally been overturned, this has occurred only where some "deeper issue" has been involved, such as the matter of Congressional and administrative policy presented by those cases. Here, no such issue of overriding public concern is posed, and even the purely private dispute presented by the petition raises no consequential, let alone substantial question for review.

2. Thus, petitioners' argument (Pet., pp. 10, 11), based on *Briggs* v. *Pennsylvania R. Co.*, 334 U.S. 304, 306 (1948),

that the court of appeals erred in allowing the trial court to entertain respondents' privilege objections because "an inferior court has no power or authority to deviate from the mandate issued by an appellate court," ignores this Court's observation in *Sprague* v. *Ticonic Bank*, 307 U.S. 161, 168 (1939), that this "leaves us still to consider whether the immediate issue now in controversy was disposed of in the main litigation and therefor foreclosed by the mandate. While a mandate is controlling as to matters within its compass, on the remand a lower court is free as to other issues."

In deciding whether "the immediate issue now in controversy" was in fact disposed of by a prior appeal, it has consistently been held that a judgment of reversal (which was the case here) constitutes an adjudication by the appellate court *only* of the "questions in terms discussed and decided" on the earlier appeal. *Mutual Life Insurance Co.* v. *Hill*, 193 U.S. 551, 554 (1904). See also, *General Inv. Co.* v. *Lake Shore Ry.*, 260 U.S. 261, 285 (1922); *Wolff Packing Co.* v. *Indus. Court*, 267 U.S. 552, 562 (1925). As is readily apparent from a reading of the court of appeals' December 19, 1968 opinion and January 14, 1969 mandate, that court did not discuss or decide whether respondents were entitled to the protection of the attorney-client and work product privileges.[4] Consequently, petitioners' objections were not within the compass of the court's mandate and they remained extant for consideration by the district court on remand.

3. Petitioners' alternative argument (Pet., pp. 12, 13) that respondents "waived" their privilege objections by

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4. To the extent the court of appeals expressed any views on respondents' privilege claims, its footnote observation that Rule 34 permits discovery only as to "any unprivileged matter" (A 594) seems to indicate it believed respondents' claims should be sustained.

failing to raise those objections on the prior appeal is equally without merit. Petitioners overlook that there was no reason or basis for respondents to press their objections at that time. Since the district court's May 16, 1968 order had sustained respondents' objection to the production of *all* post-October 15, 1954 documents on the ground that they were unrelated to the issues in the interference proceeding, that court was not required to reach the question of whether some of those documents were also protected from discovery on privilege grounds. Accordingly, there was no adverse ruling by the trial court which respondents could present to the court of appeals and it has never been held that respondents are compelled, on pain of an implied waiver, to raise on appeal a defense which was not passed on by the court below. Compare *Moulor* v. *American Life Ins. Co.*, 111 U.S. 335 (1884); *Chase* v. *United States*, 256 U.S. 1 (1921); *Davis* v. *O'Hara*, 266 U.S. 314 (1924).

Indeed, had respondents attempted to raise their privilege objections on the prior appeal, it is likely that in line with settled appellate practice the court of appeals would have refused to consider the issue until it was first passed on by the trial court. See, *e.g.*, *State Wholesale Groc.* v. *Great Atlantic & Pac. Tea Co.*, 258 F.2d 831, 839 (7th Cir. 1958), *cert. den.* 358 U.S. 947 (1959), where the Seventh Circuit concluded in an analogous situation: "It is elementary that this court, in the exercise of its appellate jurisdiction, will not pass upon any question as to which the district court, without objection of counsel for any party, failed to make a decision." See also, *Donovan* v. *City of Dallas*, 377 U.S. 408, 414 (1964); *Western Pac. R. Co.* v. *United States*, 382 U.S. 237, 246 (1965); *Alaska* v. *American Can Co.*, 358 U.S. 224, 227 (1959).

Conclusion

Since the petition raises only a routine procedural question, which the court of appeals properly resolved by allowing the district court to entertain respondents' privilege objections following the prior appeal, it is readily apparent that none of the "special and important reasons" specified in Rule 19 for the exercise of this Court's supervisory jurisdiction are present here, and it is respectfully requested that the petition for certiorari be denied.

Respectfully submitted,

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